



Press Release – Brasília (DF), August 09th, 2023

BB has adjusted net income of R\$ 17.3 billion on the first half of 2023

ROE was 21.4%

Banco do Brasil presented a record half-year adjusted net income of R\$ 17.3 billion in the 1H23, growth of 19.5% compared to the same period of 2022. Return on equity (ROE) reached 21.4%. Value added to society exceeded R\$42.9 billion. BB's CET1 ended June at 12.21%. Specifically on the second quarter of 2023, adjusted net income was R\$ 8.8 billion, 11.7% higher than the same period last year and 2.8% compared to the immediately previous quarter.

The result for the semester was influenced by the growth in the NII (+36.0%), due to the good results of the loan portfolio and securities allocated in treasury. Fee income grew 6.8%, notably in commercial segments such as consortium and insurance. On the other hand, there were increases in ALL expanded view expenses (+128.8%) and administrative expenses (+7.4%), the last one being in line with the increase in the employees salary in the last collective agreement (8.0%).

Loan Portfolio Expanded View

The loan portfolio expanded view, which includes private securities and guarantees, registered a balance of R\$ 1.045 trillion in June 2023, growth of 1.2% compared to March/23. In the comparison in 12 months, the growth was 13.6%. Highlight for the sustainable loan portfolio, which totaled R\$ 321.6 billion, with growth of 10% in 12 months, representing 31% of BB's loan portfolio. The NPL over 90 days (ratio between operations overdue for more than 90 days and the balance of the classified credit portfolio) reached 2.73% and the coverage ratio (ratio between the balance of provisions and the balance of operations overdue for more than 90 days) was 201.3%, both better than the Brazilian banking industry average.

Individuals Loan Portfolio

Growth of 0.6% compared to March/23 and 10.0% in 12 months, reaching R\$ 302.1 billion, mainly influenced by the performance of the payroll loan portfolio (+2.0% in the quarter and +9.3% in 12 months).

Companies Loan Portfolio

It recorded growth of 2.5% compared to March/23 and 10.4% in 12 months, reaching R\$ 371.9 billion, with emphasis on the portfolio of Micro, Small and Medium Enterprises (SMEs), with an evolution of 1.4% in the quarter and 21.8% in 12 months and for Large Companies, which grew by 2.9% in the quarter and 9.3% in 12 months.

Agribusiness Loan Portfolio

It reached a balance of R\$ 321.6 billion, an annual growth of 22.7%. Highlight for the lines of investments operations (+46.8% in 12 months) and working capital (+30.6% in 12 months). The 2022/2023 Harvest Plan ended in June, with R\$ 190 billion disbursed, growth of 23.3% compared to the previous harvest. BB released R\$ 75 billion in the semester for agribusiness and family farming, a volume 15% higher than that allocated in the same period last year. Only for family farming, R\$ 7.8 billion were made available, growth of 18.4%. It should be noted that BB allocated funds to 106 thousand family farmers, directly contributing to the country's food security.



Fees and Expenses Dynamics

Fee income grew 6.8% in relation to the first half of last year, reflecting the good performance in consortiums, insurance, pension plans and capitalization. Administrative expenses grew 7.4%, within the range of the Guidance. The cost-to-income ratio accumulated in 12 months was 28.3%, again the best in the historical series.

Sustainability

BB wants to be recognized as a world leader in sustainable practices and business in the financial system. Our goal is to place Banco do Brasil as a hub for raising external funds for sustainable initiatives in the country. BB has one of the largest sustainable business portfolios in the world, with a balance of R\$321.6 billion, which corresponds to almost a third of the Bank's loan portfolio expanded view.

Diversity

Banco do Brasil is a protagonist in diversity, equity and inclusion actions and has advanced significantly in this agenda. The presence of women on boards and directors evolved significantly this year. From June 2022 to June 2023, the participation of women increased from 37.5% to 50.0% on the Board of Directors, from 11.1% to 44.4% on the Board of Officers and from 13.0% to 21.7% on the Executive Board. There were also 38 meetings of the Regional Diversity Forums, in all regions of Brazil, which addressed themes of gender, generations, LGBTQIAPN+, people with disabilities, ethnicities and neurodiversity.

Advances in digital

Banco do Brasil continues its focus on digital transformation, expanding the use of artificial intelligence, Big Data and Analytics to improve the experience and knowledge about the customer, including the consent of users to share data through Open Finance. For companies, for example, we launched the new App in June 2023, improving the digital experience for customers in this segment. In addition, we integrated the Painel PJ, our digital platform, the conciliation of card sales and the digital financial assistant. Another highlight: the portability of Direct Consumer Credit by the customer, via the BB App, which integrates customer information through Open Finance and has proven to be an innovative differential in portability actions, in addition to simplifying the process and providing a lighter journey to our customers. It should be noted that BB launched, this week, in a pioneering way, the possibility for customers to use our multibank financial manager, Minhas Finanças, on WhatsApp, becoming the only bank to bring financial intelligence and convenience to this channel. And another relevant highlight this week: Banco do Brasil announced that it has already started tests with Digital BRL, which will be the gateway to a tokenized economy, confirming our commitment to always be at the forefront in the adoption of new technologies and innovation in Brazilian finance.



Guidance 2023

We present below our performance in the first half of 2023 and the corporate projections for 2023.

Guidance

	Released	Observed 1H23	Reviewed
Loan Portfolio¹	growth between 8.0% and 12.0%	+15.3%	growth between 9.0% and 13.0%
Individuals	growth between 7.0% and 11.0%	+10.0%	Held
Companies	growth between 7.0% and 11.0%	+13.5%	growth between 8.0% and 12.0%
Agribusiness	growth between 11.0% and 15.0%	+22.7%	growth between 14.0% and 18.0%
Net Interest Income	growth between 17.0% and 21.0%	+36.0%	growth between 22.0% and 26.0%
ALL Expanded View	between R\$ -23.0 and -19.0 billion	-R\$ 13.0 billion	between R\$ -27.0 and -23.0 billion
Fee Income	growth between 7.0% and 11.0%	+6.8%	growth between 4.0% and 8.0%
Administrative Expenses	growth between 7.0% and 11.0%	+7.4%	Held
Adjusted Net Income	between R\$ 33.0 and 37.0 billion	R\$ 17.3 billion	Held

(1) The credit projections consider the domestic classified portfolio added private securities and guarantees and do not consider government credit.